

Future strategies

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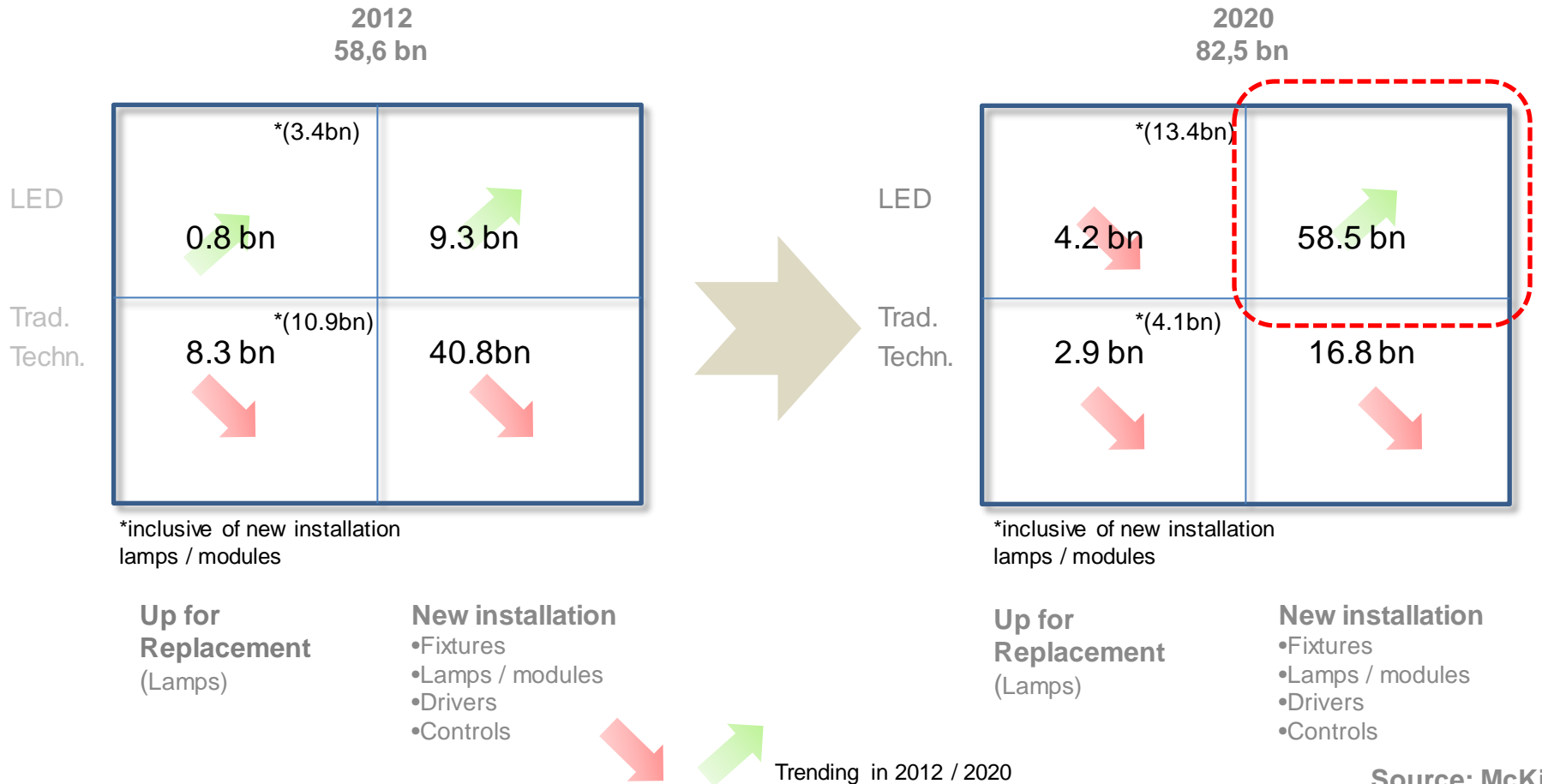
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Lighting Market 2012 – 2020

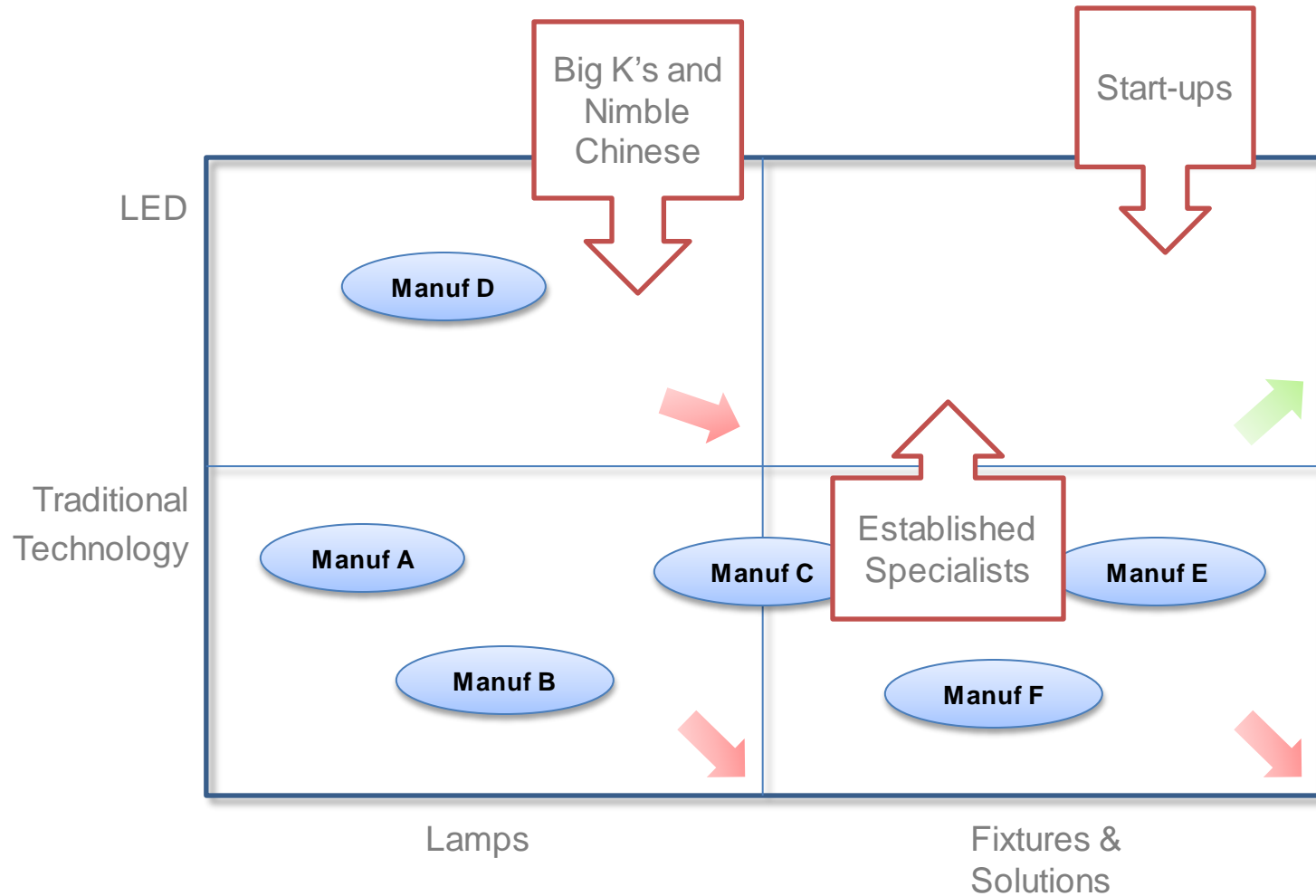
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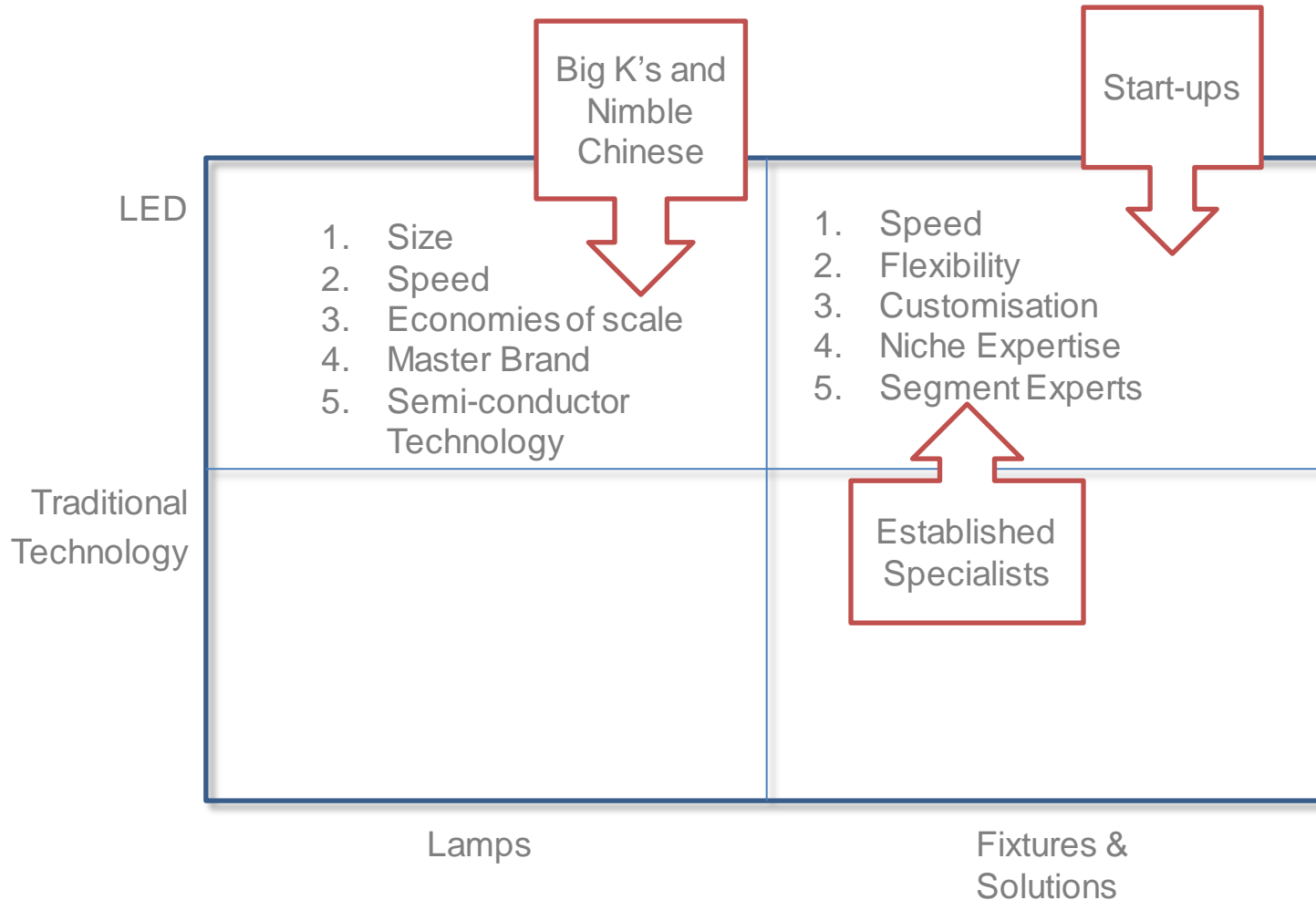
Growth drivers in three waves



The Players



Success Factors



Start-ups vs. Established specialists?

WOT Warning: This site has a poor reputation. Rating details x

WARNING!

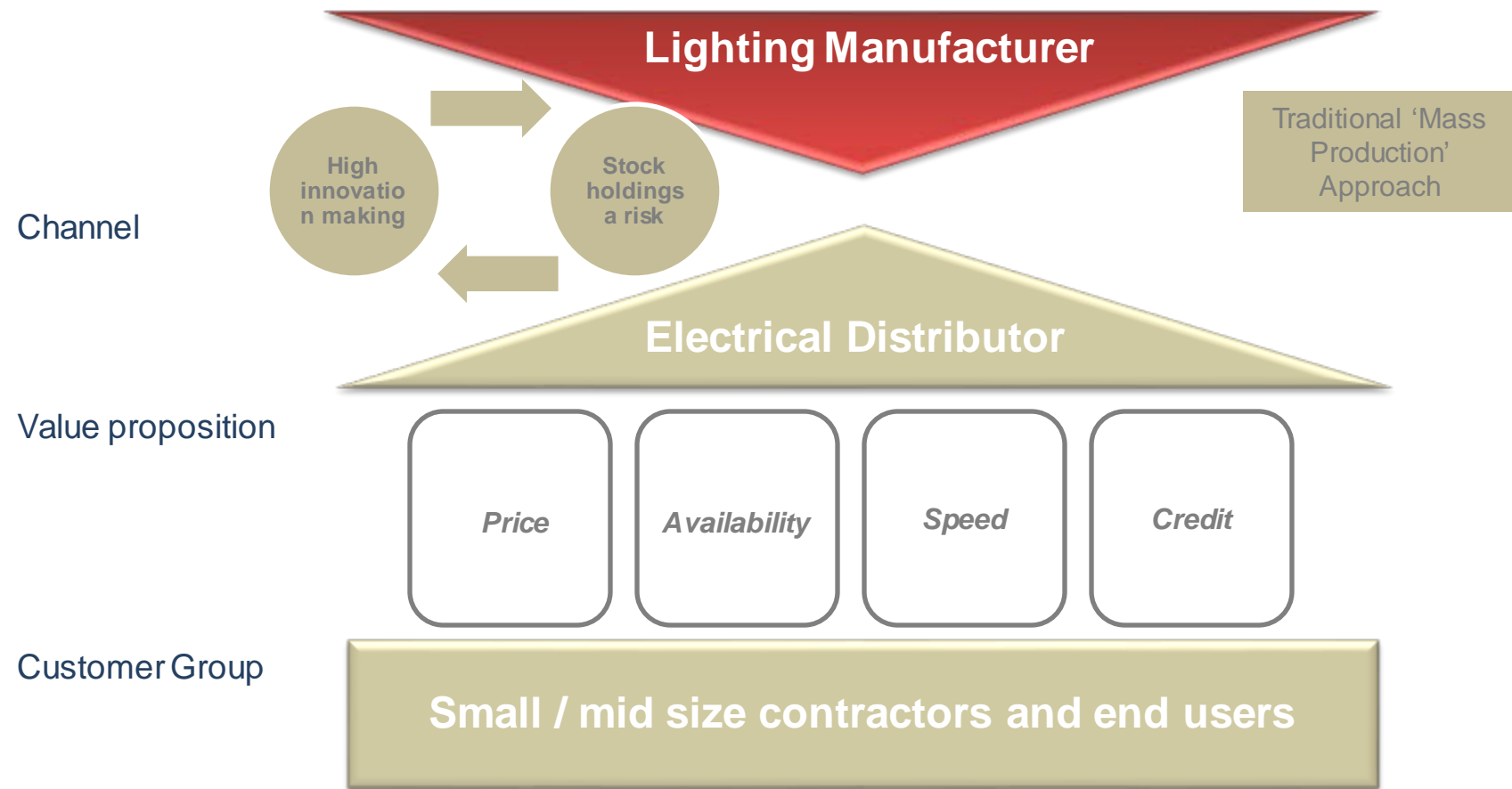
HOME CATEGORIES SCREENSAVERS WALLPAPERS PLAY GAMES

This manufacturer has a poor reputation

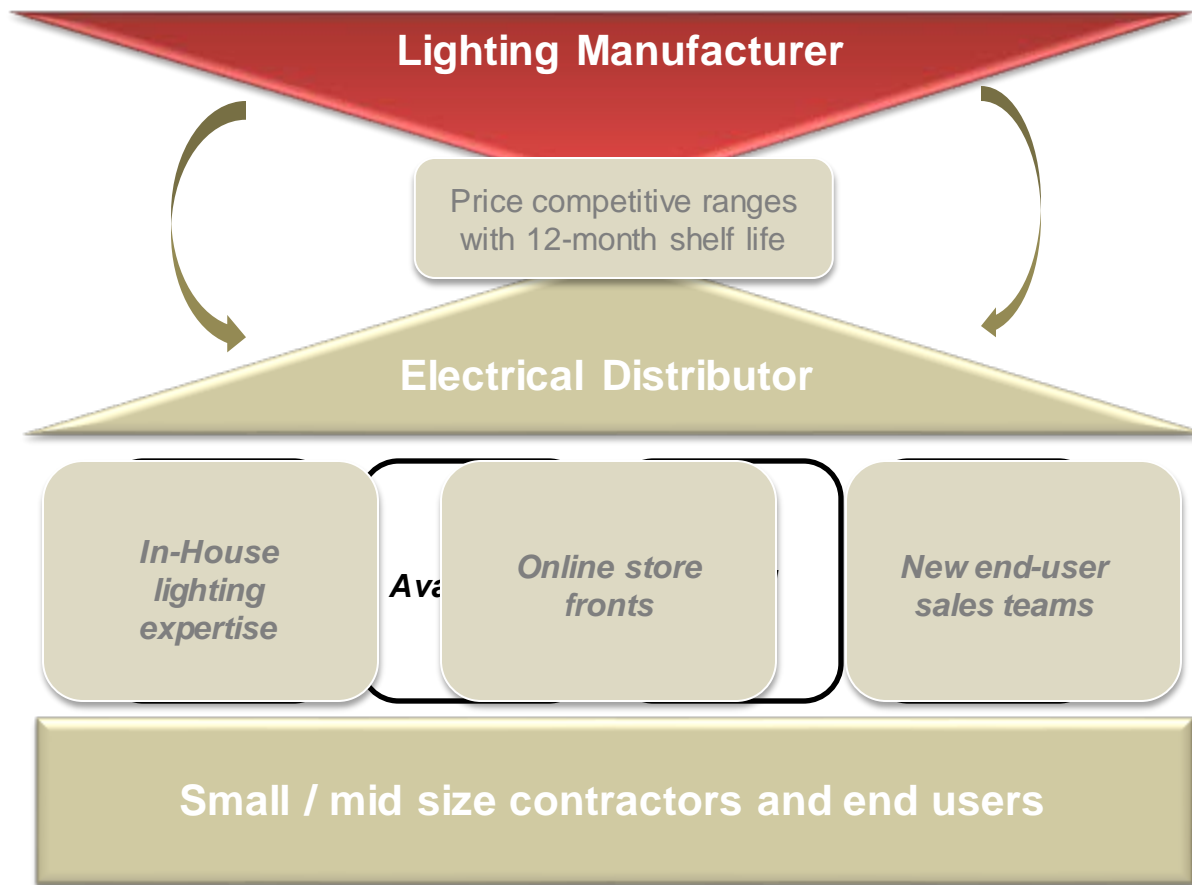
CRI	Poor
Colour Consistency	Poor
Thermal Management	Poor
Light Distribution	Poor
Warranty	Meaningless!

WOT WEB OF TRUST

How is LED affecting traditional business models?



How is LED affecting traditional business models?



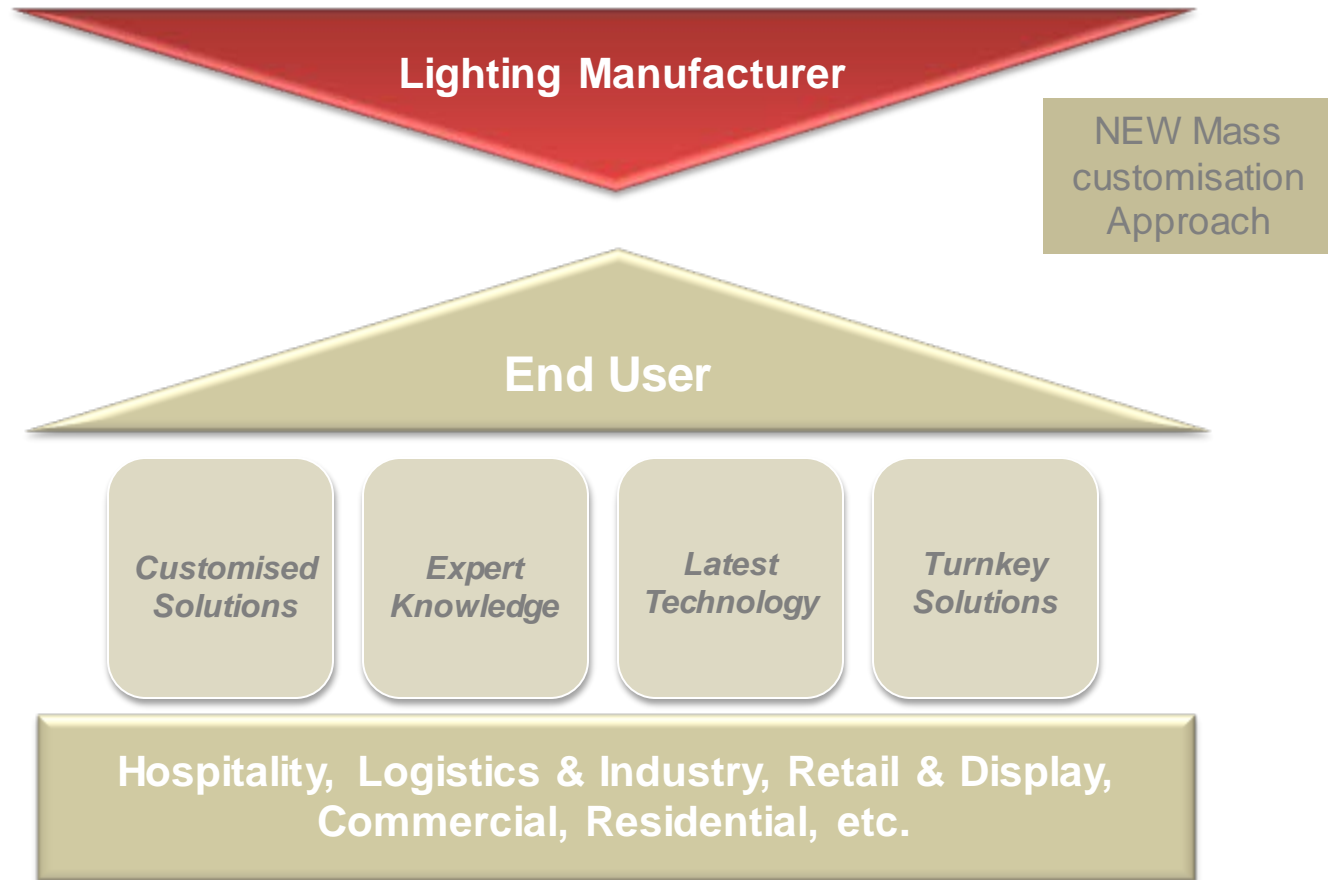
Channel

Impact on Wholesaler

Customer Group



How can we transition to take advantage of the new landscape?

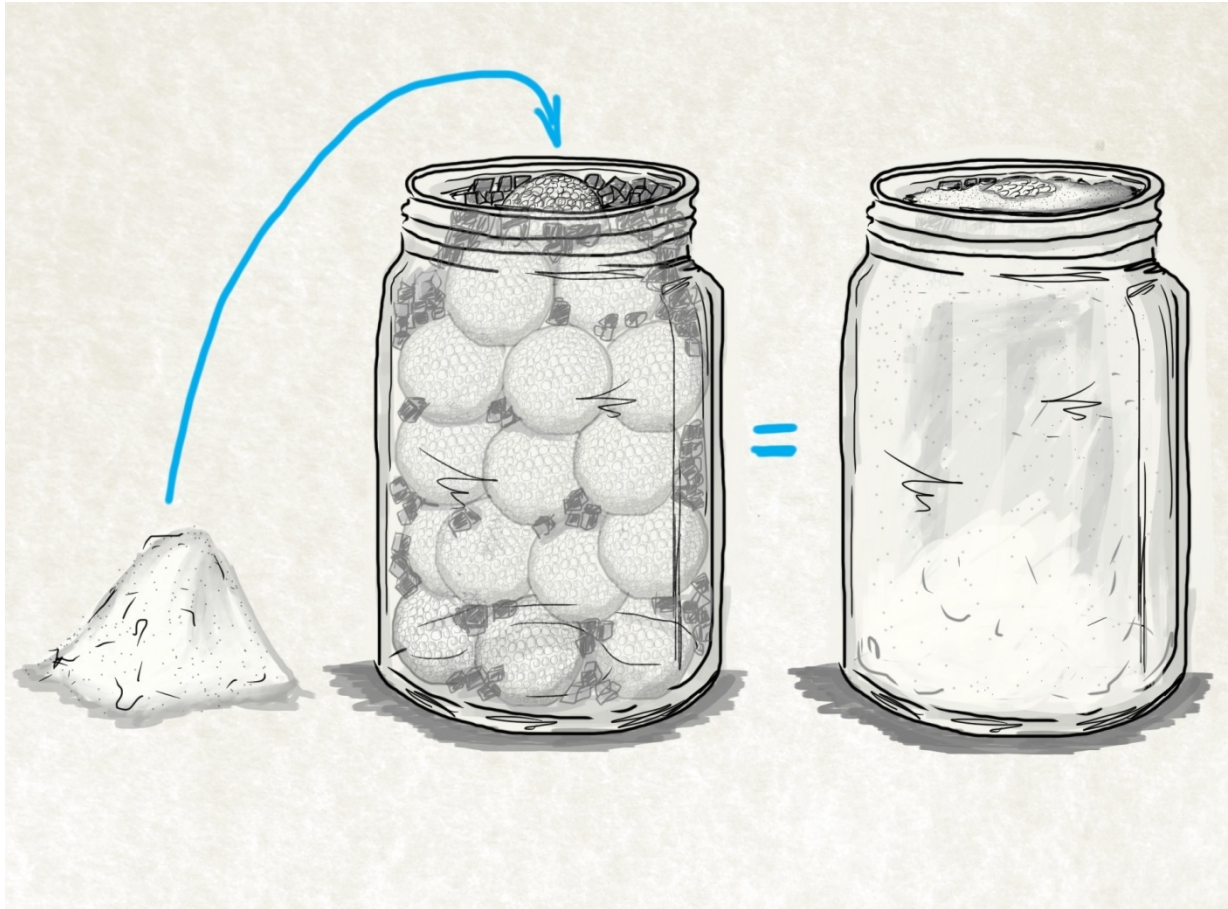


Channel

Value proposition

Customer Group

Ultimately the two business models...



must coexist to reach a balance

Mass Production vs Mass Customisation

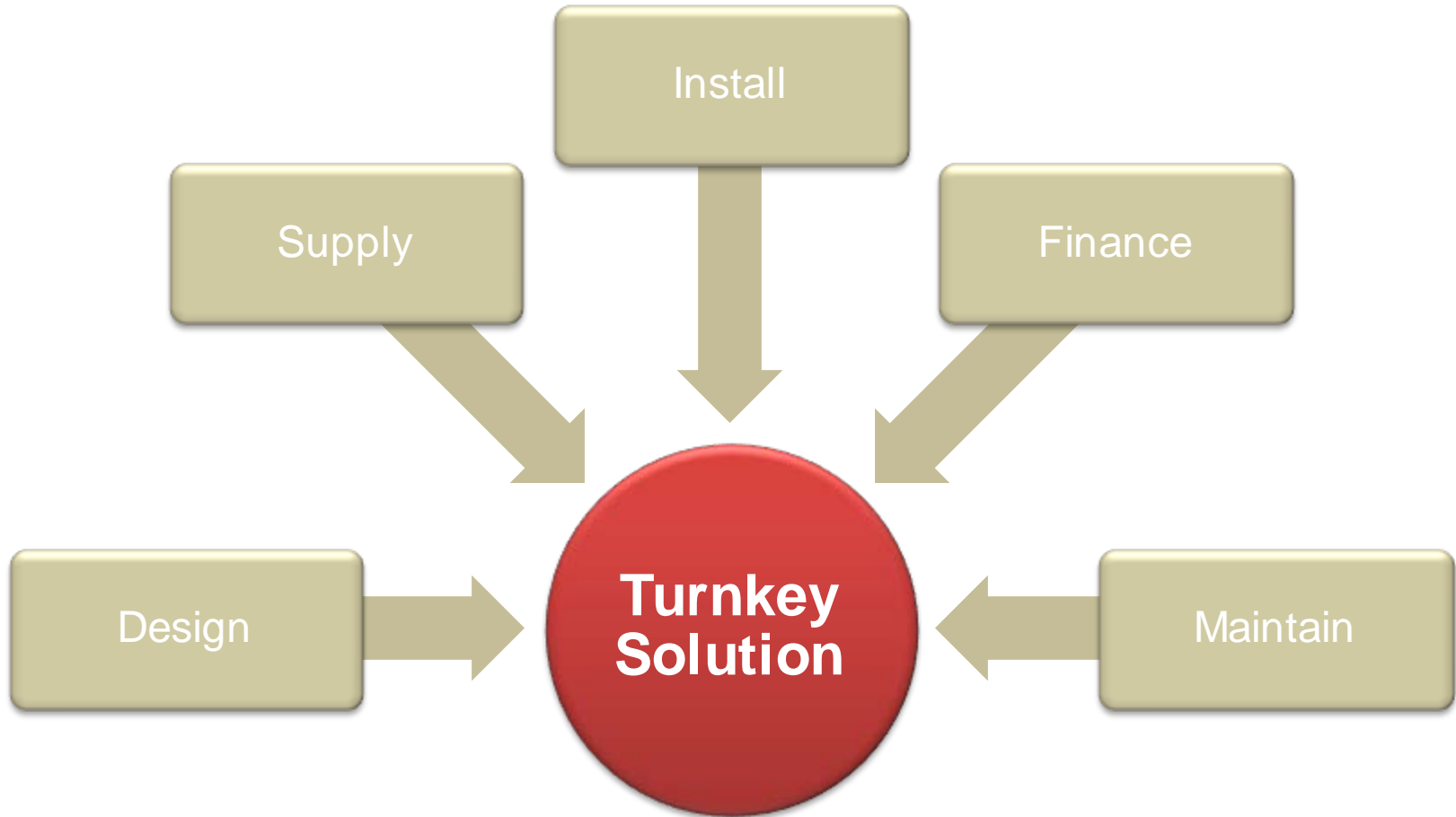
	Traditional Mass Production	Mass customisation
Product – feature ideation	Executives	Individual customers
Product design activity	Internal	Point of sale, by the individual
Go-to-market	Push	Curated, with individual choice options
Differentiation	Usually time bound	Individual customer ideas
Customer needs	Determined via research and relationships	Determined by the individual within boundaries
Customer involvement	None	Point of Sale

Benefits of Mass Customisation

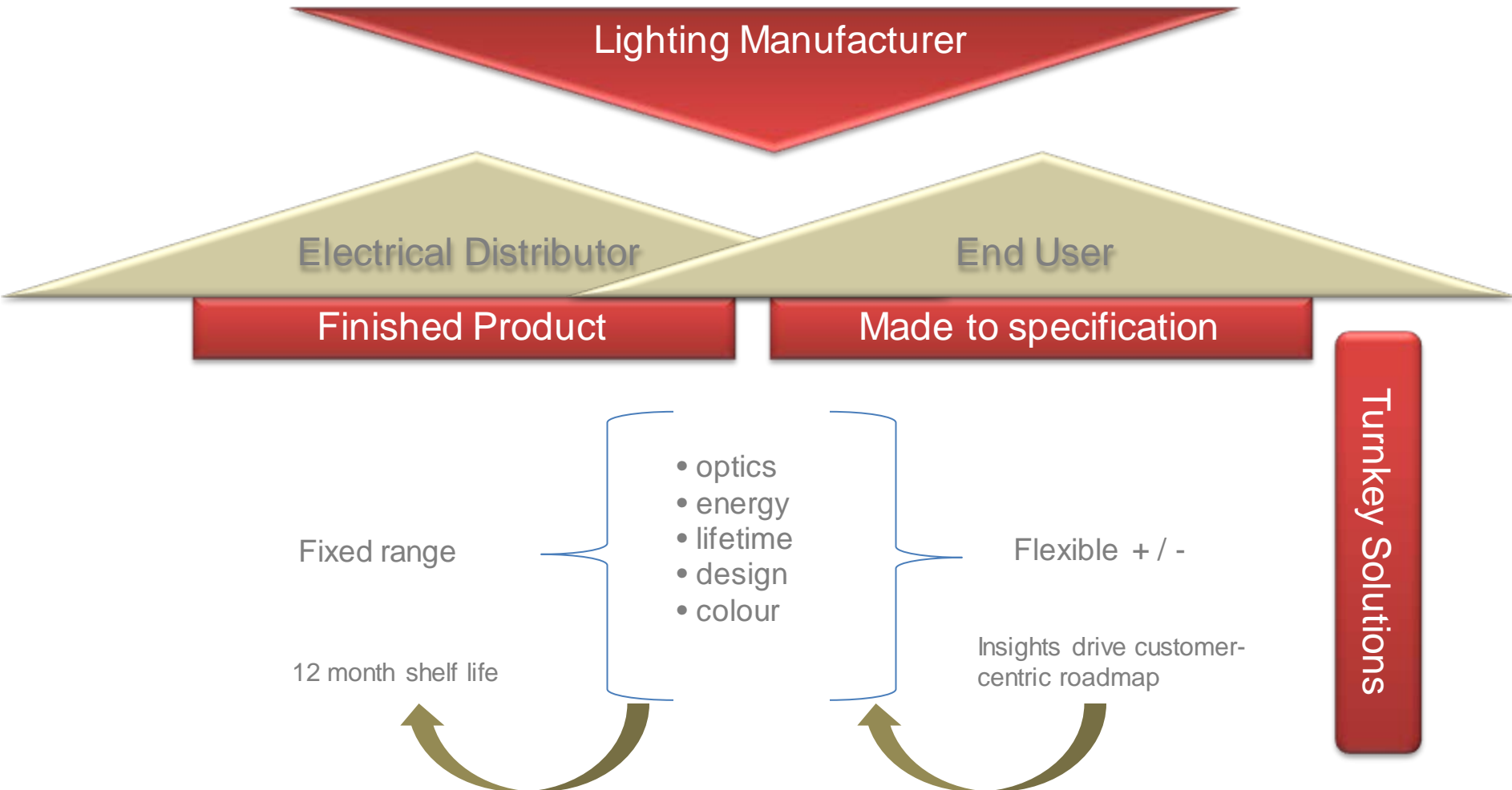
- Ensured relevance for customers' environment, energy commitments and maintenance needs
- No wastage of technology: optimised product for optimised need.
- No more expensive to produce as investment in design, distribution and storage reduced
- Customers will pay more as they're involved and consider the product higher value.
- Collaborative relationships drive turnkey solution opportunities.
- Ensures a filled pipe-line of product innovation for mass production customers



And turnkey solutions will be standard practice



Strategic Partnerships



Summary

- LED offers a new world of opportunities
- The overall industry growth drivers will be LED integrated luminaires and smart technologies
- Currently this space is being filled by new entrants without legacy constraints and traditional luminaire manufacturers with specialist segment expertise.
- Due to the benefits of LED, legislative considerations, design opportunities and the significance of investment costs, the lighting decision makers are requiring a direct relationship with manufacturers.
- Direct relationship success will be driven by the ability to mass customise.

Summary

- This direct relationship also opens up vast opportunities to bolt on services to become a turnkey solution provider, including: maintenance, finance, installation, Design, etc...
- While the industry may be changing, the requirement for the electrical distributor does not.
- Future success will require two business models, distinct yet working in partnership to address the needs of both the traditional trade channel and the needs of the new specifier / end user market requirements within the new LED world.
- Very different skill sets are required within each environment, resulting in a hybrid model which if successful will balance customisation in the front-end and maximise synergies in the back-end.

Wherever you are, changes will occur and the ability to adapt is critical to success

Thank you

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